



CROSS-AGENCY TRANSITION TEAM WHITE PAPER

SUBJECT: Lab Equipment Maintenance and Repair Funding

Issue

The NASA FY 2010 Appropriations Bill provides that NASA's Cross-Agency Support Funds (CASX) are limited to a one-year period of availability and will expire on September 30, 2010. This paper addresses the common methods for purchasing lab equipment maintenance and repair and guidance on whether this is a severable or non-severable service.

Guidance

Lab equipment maintenance and repair capabilities services purchased over a specified period of time are considered a continuing and recurring requirement and, therefore, severable contract actions. This type effort should be funded by appropriations that are current at the time the work is performed. In the case of FY2010 CAS funding, lab equipment maintenance and repair as a severable service shall only be funded through September 30, 2010.

Lab equipment maintenance and repair purchased as a job is a non-severable contract action. This type task consists of a one-time repair and/or maintenance to established standards (i.e., calibration) of equipment by a vendor where performance is not complete until the equipment is repaired and/or properly maintained to established standards (i.e., calibrated). If it meets the Federal Acquisition Regulations (FAR)/NASA FAR Supplement (NFS) standards for incremental funding, the contract may be incrementally funded, but must use appropriations current at the time the work is contracted. If it does not meet FAR/NFS standards for incremental funding, it must be fully funded at the time the maintenance agreement is entered into with appropriations current at that time. As a non-severable service, performance of the work may continue beyond September 30, 2010.

In some instances, it is not the commercial practice to contract for less than one year of maintenance, and a one-year contract is the only option available to NASA to fulfill the requirement. In these instances, maintenance is priced as a single package that is payable annually at the beginning of the coverage period. The work is priced the same regardless of the number of hardware calibrations or repairs that are needed or the number of times the Government requires technical support. This type of contract or agreement is non-severable. If it meets the FAR/NFS standards for incremental funding, the contract may be incrementally funded, but must use appropriations current at the time the work is contracted for. If it does not meet FAR/NFS standards for incremental funding, it must be fully funded at the time the maintenance agreement is entered into with appropriations current at that time. Performance of the work may continue beyond September 30, 2010.

Special Note: Although these white papers provide general guidance on the application of the Bona Fide Needs rule to common situations, you should still review your specific circumstances with local procurement, finance, and legal specialists. GAO has repeatedly emphasized that what constitutes a bona fide need of a particular fiscal year depends largely on the facts and circumstances of each particular case. Also note that while this guidance was developed to address the issues arising from the change to a one-year appropriation for CAS, it is also applicable to other expiring appropriations.